PROVINCE OF SASKATCHEWAN

2009

ANNUAL REPORT

MILK CONTROL BOARD

Table of Contents

Letter of Transmittal 2

Board Members 3

Mandate and Mission 3

Introduction 3

Marketing & Transportation 5

Milk Production & Utilization 5

Producer Pools 6

Milk Control Board Activities 7

Legislation 8

Organizational Changes 8

Board Finances 8

Management Report 9

Financial Statements 10

Auditor's Report 11

Statistical Tables (unaudited) 20

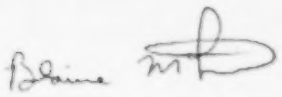
This annual report is also available in electronic format from the Milk Control Board web site at www.smcb.ca

Letter of Transmittal

The Honourable Brad Wall
President of the Executive Council
Province of Saskatchewan

May it Please Your Honour:

I respectfully submit the Annual Report of the Milk Control Board for the year 2009.



Blaine McLeod
Chairman

Board Members

The Board is comprised of four members appointed by the Lieutenant Governor-in-Council.

Chairperson

Mr. Blaine McLeod, Caronport

Members

Mr. Dale Strudwick, Balgonie
Mr. Alvin Schultz, Dalmeny
Dr. Robert Tyler, Saskatoon

Mandate and Mission

The Milk Control Board is a body corporate and exercises its responsibilities as set out in *The Milk Control Act, 1992*. The Board plays a central role in the formation and implementation of Saskatchewan dairy policy. The *Act* empowers the Board to make regulations or orders in relation to the production, supply, pricing or sale of milk and to inquire into or conduct hearings pertaining to any of the foregoing. The *Act* also allows the Board to enter into contracts and other agreements that the Board considers appropriate to carry out its responsibilities.

To reflect the Board's industry-wide mandate, members can be drawn from production, processing and consumption sectors.

The Board's mission is: to work in collaboration with producers, processors and various government agencies to develop and implement policies and programs which provide producers with the opportunity to obtain a fair return on their labour and investment, while providing consumers with an adequate supply of high quality dairy products at reasonable prices.

The Board strives to accomplish its mission by balancing and serving the interests of all dairy stakeholders – producers, processors, consumers and government.

Introduction

In August, 2009, Saskatchewan adopted a continuous quota policy at the provincial level in response to the continuous quota policy that was adapted at the national level the year prior. Under the provincial policy, producer quota was converted from an annual allocation to a daily allocation (reconciled monthly), and producers were

provided a flexibility window which allows them to produce up to ten days above their quota allocation or 30 days below their quota allocation without consequence.

Quota swapping principles were maintained, with producers being able to transfer accumulated negative credits to other producers.

In 2008, the Western Milk Pool (WMP) Boards initiated a study reviewing ways to improve the effectiveness of milk allocation to processors within the WMP and the transportation system. This study was completed in 2009, and as a result, three working groups were formed:

1. Harmonization of milk transportation policies working group

   This group's mandate is to review and make recommendations to harmonize policies by which milk haulers are selected, compensated and coordinated. Costs of milk transportation will also be reviewed.

2. Harmonization of milk ordering and receiving policies working group

   This group's mandate is to review and make recommendations to harmonize milk ordering and receiving policies, and to identify methods of improving the effectiveness of milk allocation to processors in the WMP.

3. Harmonization of information and technology working group

   This group's mandate is to develop and make recommendations on how common and uniform technology platforms may be used across the WMP.

These groups are scheduled to complete their recommendations to the WMP Boards throughout 2010 and 2011.

The Provincial Government initiated a full review of provincial dairy legislation in 2009. As a result of consultation with industry stakeholders, Bill 118, *The Milk Control Repeal Act*, received first reading in the fall legislative session. The Government intends to transfer Board responsibilities to a marketing board which will be created under the authority of *The Agri-Food Act, 2004*.

Marketing and Transportation

At year-end, the Board marketed milk to only one Saskatchewan processing plant operated by Saputo Inc. at Saskatoon.

Agrifoods International Cooperative Ltd. continued to serve as agent of the Board for the transportation of all milk produced in the province. This organization continued to improve raw milk pick up to increase efficiency.

In 2009, the cost to transport 230,707,584 litres of milk marketed amounted to $4,538,070.91 or an average of $1.97 per hectolitre, unchanged from the year previous. The transportation cost comparison is presented in Table I.

The Board acknowledges and appreciates the commitment of bulk milk transporters in achieving an efficient transportation system.

Milk Production and Utilization

There are two marketing structures for milk in Canada. Federal Government authority to regulate the marketing of fluid milk is delegated to the provinces. The Canadian Dairy Commission, a federal crown corporation, collaborates with the provinces in the administration of the supply management system for industrial milk.

Each province in Canada regulates the production and manufacturing of milk within its own borders and sets pricing procedure, quota policies and other regulations. Marketing activities related to industrial milk, which is manufactured into products that were shipped across provincial boundaries, were carried out according to the terms and conditions of a federal-provincial agreement, the National Milk Marketing Plan.

The year under review saw a decrease in milk marketed by Saskatchewan milk producers. Producers shipped 230,707,584 litres of milk to the milk pool in 2009. This represented a decrease of approximately 2.8 million litres, or -1.20 percent from 2008 (Table II).

Producers received a total value of $174,552,294 in 2009, which represented a .40% percent increase from 2008.

The average number of milk producers decreased 7.79 percent, from 227 in 2008, to 209 in 2009. The average daily shipment per producer increased from 2,820 to 3,022 litres per day, an increase of 7.14 percent (Table II). Class 1 milk, or milk processed for Saskatchewan fluid consumption, amounted to 104,262,477 litres of milk in 2009. Total sales of milk and cream, in litres, were 100,251,765 (Table III).

The Canadian dairy industry operates on butterfat quotas, and on a "dairy year" basis, which runs from August 1 to July 31 of the following year. In Saskatchewan, producers shipped a total of 8,833,545 kilograms of butterfat during the 2008-2009 dairy year (Table IV), representing a utilization of approximately 101 percent of the provincial yearly quota allotment. The average butterfat test on all milk was 3.77 percent per hectolitre, an increase from the 3.75 percent average from the previous year (Table V).

Producer Pools

The Saskatchewan fluid milk pool successfully completed its thirty-fourth year of operation.

The Board maintained a single milk pool system for both fluid and industrial milk. Under pooling, the Board has the responsibility for purchasing all milk from registered milk producers and selling it to the processor. Each producer was allocated a quota based on Saskatchewan's quota policy and designed to meet the province's quota needs.

In 2009, the price of Class 1 milk increased $1.81 per hectolitre in February. The price adjustment was triggered by the pricing mechanism agreed to by four provinces in the Western Milk Pool.

At the Federal level, the Industrial Target Return Formula price (Classes 2 to 5) was increased on February 1, 2009. As of the this date, the support price for skim milk powder increased from $6.1125 to $6.1783 per kilogram.

This pooling system is administered by the Canadian Dairy Commission and provides milk to food manufacturers and exporters at competitive prices. Returns for the milk sold as Special Class milk are pooled among all dairy producers in the ten provinces, which are signatories to the National Milk Marketing Plan.

Under the second pooling arrangement, known as the Western Milk Pool, the revenue from all milk sales (fluid and industrial) is pooled among the producers of British Columbia, Alberta, Saskatchewan and Manitoba. The agreement generates new opportunities, new challenges, and greater flexibility for processors in the four western provinces. It ensures producers a more predictable and stable environment and allows processors to rationalize their plants to improve efficiency and competitiveness.

During 2001, the Western Milk Pool Coordinating Committee took steps to further improve the operations of the Agreement by harmonizing Class 2 – 4 prices across the region. This measure, taken to further level the competitive playing field, came into effect on February 1, 2002.

Milk Control Board
Activities

Milk Board members strive to accommodate the interests of producers, processors and consumers as well as other industry stakeholders.

The Board held six meetings during the year as well as eleven conference call meetings. Board members also spent numerous days attending various committee meetings, as well as maintaining contact with milk producers and industry organizations.

In an effort to effectively continue communications with milk producers, the Board held ten district meetings throughout 2009. These meetings provided producers with information on current issues regarding quota policies, Western Milk Pooling, National Continuous Quota Management and other issues the dairy industry should consider. The information obtained from these meetings assisted the Board in developing the appropriate policies and procedures for Saskatchewan's dairy industry.

Board members and other industry representatives attended four meetings of the Canadian Milk Supply Management Committee. In 2009 discussions were on-going in an effort to harmonize various provincial policies. The Western Milk Pool Coordinating Committee met four times in 2009.

Throughout 2009, communication with producers has received a high priority to address the broad range of changes regarding producers. It has been especially important to keep producers abreast of developments and to respond to inquiries as the industry adjusts to new quotas, pricing and World Trade Organization rulings. The Saskatchewan Milk Control Board monthly newsletter is a publication that strives to provide information in a timely and concise manner. It serves to keep stakeholders informed of developments pertaining to marketing and other issues. Feedback indicates that this has been effective in improving the communication link between the Board and producers.

In addition to the monthly newsletter and special mail-outs, the Board operates a website that serves as a means of further strengthening communications with the industry's many stakeholders. The website also provides producers with individual quota management information and butterfat test results.

As part of its governance review, the Board members continued to assess the effectiveness of their performance throughout the year.

The Board would like to thank the staff for their continued dedication and support over the past year.

Legislation

The pricing of milk for fluid purposes is a Board responsibility. The Board's primary objective is to provide efficient producers and processors with a fair return to labour, management and investment. The Federal Government has jurisdiction over industrial milk pricing, which is administered through a federal-provincial agreement known as the National Milk Marketing Plan and the Comprehensive Agreement on Pooling of Milk Revenues.

Organizational Changes

During 2009, the Board continued to work on challenges associated with the operations of the Provincial Dairy Lab and the administration of milk quality regulations as a result of the transfer of these functions from Saskatchewan Agriculture in April 2006. Significant progress was made in 2009, and it is expected that complete resolution to these issues will be achieved in 2010.

On December 31st, Dr. Tyler, who is also Chair of the Agri-Food Council, resigned his position from the Board in anticipation of the dairy industry governance being transferred to *The Agri-Food Act, 2004*. The Board members appreciate the impact that Dr. Tyler had during his time with the Board.

Board Finances

Financing of the operation of the Board was derived from assessment fees levied on producers and processors, processor license fees, quality penalties and interest on investments.

Management Report 2009

The Management of the Milk Control Board of Saskatchewan is responsible for the reliability and integrity of the accompanying financial statements and all other information in this Annual Report. It is the responsibility of management to prepare financial statements in accordance with Canadian generally accepted accounting principles.

The Board of Directors is responsible for overseeing the business affairs of the Milk Control Board, including management's financial reporting responsibilities and for reviewing and approving the financial statements and other financial information included in this Annual Report. The Board meets with management and the Provincial Auditor to discuss matters related to financial processes, systems of control and compliance with governing authorities.

The integrity of the financial records from which these financial statements are prepared is largely dependent on the systems of internal accounting controls. The purpose of such systems is to provide reasonable assurance that transactions are executed in accordance with proper authorization, transactions are appropriately recorded in order to permit preparation of financial statements, and assets are properly accounted for and safeguarded against loss from unauthorized use. Underlying this concept of reasonable assurance is the fact that limitations exist in any system of internal accounting controls based on the premise that the cost of such controls should not exceed the benefits derived therefrom.

The financial statements have been audited by the Provincial Auditor Saskatchewan. The report to the Members of the Legislative Assembly stating the scope of the examination and opinion on the financial statements, appears on the following page.

Ryan Boughen
Chief Executive Officer
Regina, Saskatchewan
March 10, 2010

Doug Miller
Administrative Officer

MILK CONTROL BOARD

FINANCIAL STATEMENTS

For the Year Ended December 31, 2009

Provincial Auditor Saskatchewan

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
S4P 3V2

Phone: (306) 787-6398
Fax: (306) 787-6383
Web site: www.auditor.sk.ca
Internet E-mail: info@auditor.sk.ca

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Milk Control Board as at December 31, 2009 and the statements of operations, change in net financial assets, and cash flow for the year then ended. The Board's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Milk Control Board as at December 31, 2009 and the results of its operations, the change in net financial assets and its cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
March 10, 2010

Fred Wendel, CMA, CA
Provincial Auditor

MILK CONTROL BOARD
STATEMENT OF FINANCIAL POSITION
As at December 31

	2009	2008
FINANCIAL ASSETS		
Cash	$ 1,897,695	$ 2,857,064
Accounts receivable (Note 8)	8,799,615	10,716,982
	10,697,310	13,574,046
LIABILITIES		
Accounts payable and accrued liabilities	$ 9,717,473	$12,424,711
Net financial assets (Statement 3)	979,837	1,149,335
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 3)	389,346	353,337
Accumulated surplus (Statement 2)	$ 1,369,183	$ 1,502,672

(See accompanying notes to the financial statements)

MILK CONTROL BOARD
STATEMENT OF OPERATIONS
Year Ended December 31

	Budget 2009 (Note 6)	Actual 2009	Actual 2008
Revenue:			
Milk sold to processors	$167,200,000	$173,326,175	$165,475,835
Milk pools (Note 4)	7,500,000	1,226,119	8,372,904
Milk pool administration and assessment fees	1,004,731	965,833	1,007,525
Interest	68,400	47,764	147,960
Milk quality penalties	170,000	188,894	117,062
Licence fees and miscellaneous	45,075	3,474	3,530
	175,988,206	175,758,259	175,124,816
Expenses:			
Milk purchased from producers	174,700,000	174,552,294	173,848,738
Salaries	360,000	350,029	445,122
Disposal of unsaleable milk	120,000	66,321	29,209
Travel, sustenance and vehicle expense	89,800	67,754	93,045
Rent	50,872	46,660	49,772
Legal	15,000	34,206	12,338
Employee benefits	70,750	66,171	52,913
Honoraria	30,000	33,613	37,247
Administrative expense	102,195	58,966	54,703
Cost of production study	20,000	23,125	13,748
Levy refund (Note 9)	0	533,902	0
Amortization	52,079	58,707	50,601
	175,610,696	175,891,748	174,687,436
Surplus (deficit) for the year	$ 377,510	(133,489)	437,380
Accumulated surplus, beginning of year		1,502,672	1,065,292
Accumulated surplus, end of year - to Statement 1		$ 1,369,183	$ 1,502,672

(See accompanying notes to the financial statements)

Statement 3

MILK CONTROL BOARD
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
Year Ended December 31

	Budget 2009 (Note 6)	Actual 2009	Actual 2008
Surplus (deficit) for the year:	$ 377,510	$(133,489)	$ 437,380
Acquisition of tangible capital assets	0	(94,716)	(20,505)
Amortization of tangible capital assets	52,079	58,707	50,601
Increase (decrease) in net financial assets	429,589	(169,498)	467,476
Net financial assets, beginning of year	1,149,335	1,149,335	681,859
Net financial assets, end of year	$1,578,924	$ 979,837	$1,149,335

(See accompanying notes to the financial statements)

MILK CONTROL BOARD
STATEMENT OF CASH FLOW
Year Ended December 31

	2009	2008
Cash Flows from Operating Activities:		
Cash receipts from processors, interest and fees	$ 177,675,627	$174,196,659
Cash paid to producers, employees and board members	(178,540,280)	(173,365,053)
Cash flows from operating activities	(864,653)	831,606
Cash Flow used for Capital Transactions:		
Purchase of tangible capital assets	(94,716)	(20,505)
Net (decrease) increase in cash during the year	(959,369)	811,101
Cash position, beginning of year	2,857,064	2,045,963
Cash position, end of year	$ 1,897,695	$ 2,857,064

(See accompanying notes to the financial statements)

MILK CONTROL BOARD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

1. Significant Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting principles as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The significant accounting policies are as follows:

a) Revenue Recognition

Revenue from milk sold to processors is recognized when milk is delivered to processors.

b) Tangible Capital Assets

Office furniture, office equipment, and the Milk Payment System (MPS) are recorded at cost less accumulated amortization.

Office furniture and office equipment are amortized over their estimated useful life using the straight-line method at 10% - 33% per annum. The MPS is amortized over its estimated useful life using the straight-line method at 10% per annum.

2. Incorporation

The Milk Control Board (Board) is continued as a body corporate under *The Milk Control Act, 1992* (Act). The Board has authority to make any regulations or orders in connection with the production, supply, distribution and sale of milk.

The Board is responsible under the Act for the control and regulation of the marketing of milk in the province. In fulfilling this responsibility, the Board operates a milk pooling system whereby the Board purchases all milk produced in the province and sells it to processors. The purchase price paid by the Board is based on the quality and quantity of milk shipped by producers and on the value of milk sold to processors. The value of milk sold to processors is determined by its final product use and prices established by the Board.

3. Tangible Capital Assets

	Cost	Accumulated Amortization	2009 Net Book Value	2008 Net Book Value
Office furniture and equipment	$ 63,107	$ 31,057	$ 32,050	$ 17,977
Milk Payment System	521,203	163,907	357,296	335,360
Total	$584,310	$ 194,964	$ 389,346	$ 353,337

4. Milk Pools

Effective August 1, 1995 (and continued August 1, 2003), the Board entered into an arrangement with its counterparts in Prince Edward Island, Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Alberta, and British Columbia and the Canadian Dairy Commission (CDC). As of September 2006, Newfoundland and Labrador have signed on. This arrangement provides for pooling of revenues from sales of milk components in industrial and special classes of milk sold in domestic and external markets. CDC administers the Industrial and Special Class Pool.

Effective March 1, 1997, the Board entered into an arrangement with its counterparts in British Columbia, Alberta and Manitoba and CDC. This arrangement provides for pooling of all revenues from sales of Fluid Milk and Industrial Milk, including special classes, by producers to processors in the four western provinces. The purpose of the arrangement is to pool producer returns as if the western provinces constituted a single market. CDC administers the Western Milk Pool.

Based on each province's monthly utilization, CDC will either distribute a portion of, or require a contribution to, the Industrial and Special Class Pool and Western Milk Pool. The Board received contributions of $1.226 million in 2009 and received contributions in 2008 of $8.373 million from the milk pools.

5. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies, boards and commissions related to the Board by virtue of common control or significant influence by the Government of Saskatchewan.

Routine operating transactions with related parties for phone, office supplies and employee benefits are recorded at the standard rates charged by those organizations and are settled on normal trade terms. These transactions are as follows:

	2009	2008
Expenses	$ 78,259	$ 67,120
Accounts Receivable (Note 8)	41,000	722,072

In addition, the Board pays Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other transactions with related parties and amounts due to/from them and the terms of settlement are described in these financial statements and the notes thereto.

6. Budget

The Board approved the budget for the 2009 year on January 21, 2009.

7. Financial Instruments

a) Fair Value

The Board's financial instruments include accounts receivable and accounts payable. These financial instruments are non-interest bearing and are due or payable within the next year. Due to this short-term maturity, the carrying value of these financial instruments approximates fair value.

b) Concentration of Credit Risk

The Board is subject to credit risk as all of the Board's milk sales are to one processor.

8. Accounts Receivable

	2009	2008
Processor Receivable	$8,446,848	$ 8,641,191
Pooling Receivable	260,016	1,282,809
Dairy Lab - Ministry of Agriculture (Note 9)	41,000	722,072
Other	51,751	70,910
Total	$8,799,615	$10,716,982

9. Provincial Dairy Lab

In the April 6, 2006 provincial budget, the Government of Saskatchewan directed the transfer of the Provincial Dairy Lab (Lab) and the responsibility for enforcing dairy regulations under *The Animal Products Act* to the Board, including 4 staff and approximately $135,000 in assets. The Board obtained a legal opinion in 2007, which stated that it does not have the authority under its existing legislation to operate the Lab nor enforce the regulations. The legal opinion that the Board obtained was substantiated by independent legal counsel in 2008. As of December 31, 2009, the legal concerns were not fully resolved. The Board continued to administer the Lab on the Ministry's behalf in good faith. In January 2010, the Ministry closed the Lab.

In March 2009, the Ministry agreed to pay for the Lab's operating costs relating to activities carried out on behalf of the Ministry. During the year, the net operating costs of the Lab for activities carried out on behalf of the Ministry were $336,345. At December 31, 2009, accounts receivable includes $41,000 (2008 - $722,072) related to Lab operating costs recoverable from the Ministry.

In December 2006, the Board increased its levies charged to the producers and processors by $0.04/hectolitre to finance the Lab's operating costs. In October 2009, the Board and the Ministry agreed that the additional levies collected to operate the Lab would be refunded back to the industry. Levies are being refunded quarterly to producers and processors once payment for the Lab's operating costs is received from the Ministry. During the year, the Board refunded $504,681 to producers and processors. At December 31, 2009, accounts payable and accrued liabilities includes $58,470 (2008 - $378,630) owing to the industry.

10. Comparative Figures

Certain of the 2008 figures have been reclassified to conform with the current year presentation.

Table I (unaudited)

Transportation Volumes and Rates 2005 - 2009

Year	Volume Transported (litres)	Average Rate $/Per Hectolitre
2009	230,707,584	1.97
2008	233,567,850	1.97
2007	221,427,833	1.98
2006	214,611,633	2.02
2005	217,263,872	2.03

Table II (unaudited)

Total Whole Milk Requirements, Total Production, Number of Producers and Daily Average Production per Producer - 2008 & 2009 (litres)

Month	Year	Whole Milk Requirements	Total Production	Number of Producers	Daily Average Per Producer
January	2008	7,262,960	20,179,008	228	2,855
	2009	8,946,474	20,515,547	220	3,008
February	2008	6,930,678	18,859,244	228	2,852
	2009	7,994,452	18,648,971	220	3,027
March	2008	7,380,755	20,189,341	228	2,856
	2009	9,151,898	20,706,658	220	3,036
April	2008	7,776,746	19,349,553	227	2,795
	2009	8,769,964	19,832,262	216	3,061
May	2008	9,028,694	19,665,772	227	2,795
	2009	8,597,304	20,170,056	213	3,055
June	2008	8,203,132	19,165,398	227	2,814
	2009	8,439,529	19,173,313	212	3,015
July	2008	8,328,609	19,896,392	227	2,827
	2009	8,599,253	19,395,199	212	2,951
August	2008	8,279,132	19,600,134	227	2,785
	2009	8,219,761	19,167,414	202	3,061
September	2008	8,800,887	18,739,195	228	2,740
	2009	8,532,605	18,162,297	200	3,027
October	2008	9,231,590	19,109,775	227	2,716
	2009	9,146,072	18,375,654	199	2,979
November	2008	8,580,676	18,752,676	225	2,778
	2009	8,463,539	17,826,967	199	2,986
December	2008	9,325,531	20,009,364	223	2,894
	2009	9,401,626	18,733,246	197	3,068
TOTALS	2008	99,129,390	233,515,852	227	2,820
	2009	104,262,477	230,707,584	209	3,022
% Change		**5.18%**	**-1.20%**	**-7.79%**	**7.14%**

TABLE III (unaudited)

Total Sales of Milk & Cream in Litres by Size of Container
January 1, 2009 – December 31, 2009

Size of Containers	Year	Fluid * Products	% of Total	Cream * Products	% of Total	Total * Products	Total %
20 litre	2008	472,200	0.52	0	0.00	472,200	0.49
	2009	442,820	0.47	0	0.00	442,820	0.44
10 litre	2008	79,790	0.09	1,689,240	32.50	1,769,030	1.83
	2009	96,710	0.10	1,897,580	34.13	1,994,290	1.99
4 litre	2008	68,502,524	74.83	0	0.00	68,502,524	70.81
	2009	72,981,708	77.07	0	0.00	72,981,708	72.80
2 litre	2008	15,305,848	16.72	0	0.00	15,305,848	15.82
	2009	14,492,038	15.30	0	0.00	14,492,038	14.46
1 litre	2008	4,781,491	5.22	1,764,310	33.94	6,545,801	6.77
	2009	4,436,449	4.69	1,904,847	34.26	6,341,296	6.33
500 ml	2008	1,020,497	1.11	1,426,561	27.44	2,447,058	2.53
	2009	1,043,014	1.10	1,448,969	26.06	2,491,983	2.49
250 ml	2008	1,299,314	1.42	171,312	3.30	1,470,626	1.52
	2009	1,114,021	1.18	165,124	2.97	1,279,145	1.28
125 ml	2008	74,125	0.08	0	0.00	74,125	0.08
	2009	81,120	0.09	0	0.00	81,120	0.08
Creamettes	2008	4,493	0.00	146,478	2.82	150,971	0.16
	2009	4,048	0.00	143,317	2.58	147,365	0.15
Totals	2008	91,540,282	100.00	5,197,901	100.00	96,738,183	100.00
	2009	94,691,928	100.00	5,559,837	100.00	100,251,765	100.00

*Consolidated sales from processors to the Saskatchewan market

Table IV (unaudited)

Total Kilograms of Butterfat Shipped in Saskatchewan by Month and Dairy Year

Month	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009
August	682,384	672,106	640,810	667,630	714,566
September	655,806	646,754	636,500	665,512	702,656
October	686,414	682,394	678,800	719,105	731,710
November	666,103	664,009	676,423	714,166	725,592
December	697,978	717,299	706,748	762,672	768,375
January	706,230	737,050	708,536	768,423	776,069
February	636,937	668,413	644,603	716,725	696,788
March	704,756	739,566	714,926	762,835	780,327
April	674,493	681,423	685,381	724,084	743,837
May	705,291	673,844	700,518	729,870	764,294
June	670,658	633,742	673,607	702,639	717,102
July	679,104	628,452	678,216	722,448	712,229
Total	**8,166,154**	**8,145,051**	**8,145,068**	**8,656,110**	**8,833,545**

TABLE V (unaudited)

Provincial Average Tests for Butterfat, Protein & Other Solids by Month - 2008 & 2009

Month	Year	Butterfat	Protein	Other Solids
January	2008	3.8080	3.3430	5.6906
	2009	3.7884	3.3430	5.7093
February	2008	3.8004	3.3411	5.7054
	2009	3.7379	3.3166	5.7036
March	2008	3.7784	3.3431	5.6990
	2009	3.7739	3.3266	5.6752
April	2008	3.7447	3.3329	5.7186
	2009	3.7506	3.2962	5.6839
May	2008	3.7114	3.3007	5.7171
	2009	3.7893	3.3062	5.6747
June	2008	3.6661	3.2800	5.6854
	2009	3.7401	3.2847	5.6797
July	2008	3.6310	3.2382	5.7015
	2009	3.6804	3.2500	5.6645
August	2008	3.6457	3.2523	5.6981
	2009	3.7296	3.2767	5.6693
September	2008	3.7534	3.3431	5.6994
	2009	3.7563	3.2818	5.6817
October	2008	3.8284	3.3945	5.6875
	2009	3.8534	3.4189	5.6715
November	2008	3.8693	3.4023	5.6810
	2009	3.8747	3.4149	5.6677
December	2008	3.8401	3.3804	5.6884
	2009	3.8596	3.4125	5.6822
Weighted Ave Tests	2008	3.7561	3.3289	5.6977
	2009	3.7700	3.3264	5.6804
% Change		0.37	-0.08	-0.30